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29 OCT 1964

MEMORANDUM FOR: Assistant Director for Special Activities

SUBJECT : Negotiation of New Task with [REDACTED]

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REFERENCE : A. [REDACTED] -4036/64 dated 30 January 1964
B. [REDACTED] -0064/64 dated 22 April 1964

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1. Reference A authorized negotiation with [REDACTED] for the production of a data analysis system (230 processor). This system was auxiliary to the special intercept package [REDACTED] funded by the Office of Special Activities in connection with the [REDACTED] program. This project met with considerable success thereby justifying continuation of the effort. The new plan comprehends the installation of the 230 processor in the headquarters building together with the detail of necessary contractor personnel for the maintenance and operation of the processor. Further, the contractor will furnish a TECH REP with programming experience to enable scheduling of prescribed data analysis tasks through the processor. Attached are three (3) Technical Proposals associated with the planned program. The proposals are identified under Base Technical Proposal 16561, subtasks 1, 2, and 3, each of which are relevant to the installation and operation of the 230 processor in the headquarters building.

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2. Task 1 provides funding in the amount of [REDACTED] to cover the costs of transporting the processor to the headquarters building, the installation of the processor at the position indicated by the Chief, Analysis Division, and the checkout of the system to insure efficient operation. Task 2 contains four options, two of which OEL has elected to exercise at this time. The estimated cost of consuming task 2 is [REDACTED]. This task provides necessary hardware for the reduction of input to format capable of displaying navigational data and an auxiliary device for processing analog signals and quantizing signal parameters for input in the 230 processor. Task 3

HANDLE VIA [REDACTED]

CONTROL SYSTEM

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PROJECT [REDACTED]

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forecasts contractor's cost for detailing contractor personnel to maintain and operate the 230 processing system. Additionally, one of the individuals detailed to the headquarters building will have programming experience and will be capable of developing and implementing specialized data analysis tasks. This portion of the proposal reflects costing for a twelve month interval which would be effective beyond the current fiscal year. Accordingly, the total cost of [REDACTED] set forth in the proposal is being reduced by five months leaving a residual requirement of [REDACTED]. The effective period of task 3, as presently proposed, is to be from 1 December 1964 through 30 June 1965.

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3. Agency association with this contract is classified **SECRET**. The combined cost of executing the three tasks is estimated at [REDACTED], which is encumbered on the attached Form 1716. It is requested that the contract be written in such a manner that the contractor may incur necessary expense associated with the transport of the equipment to the sponsors facility on or about 15 November. The portion of the contract dealing with the detail of two TECH REP's to the headquarters building is to be effective on or about 1 December. Every effort should be made to notify the contractor to proceed with the development of a supplementary data display and the AD converter (task 2) unit so that the equipments may be integrated into the processing system no later than 1 December 1964. The contract should clearly specify that contractor personnel must meet all Agency security and other criteria.

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4. Justification for processing this action through the Office of Special Activities stems from the fact that the Contracts Branch, OSA, originally contracted for the 230 processing system. Were the present action to be processed through the Office of Logistics for contractual action, it would be necessary to transfer equipment from (CFE) the accountable records of OSA to Logistics, thereby creating a host of administrative and security problems. This, combined with the fact that the majority of the work effort will be addressed to the [REDACTED] program, suggests strongly that OSA should establish and monitor execution of the contract.

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5. [REDACTED] extension 7181, has been designated Project Monitor for this contract and will be responsible for its execution. [REDACTED] extension 4491, may be contacted for any administrative detail required in connection therewith.

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[REDACTED]
GEORGE C. MILLER
Assistant Director for ELINT

APPROVED:

ALBERT D. WHEELON 4 NOV 1964
Deputy Director (Science and Technology)

Attachment:

Technical Proposal 1656-1

Technical Proposal 1656-2

Technical Proposal 1656-3

Memo [REDACTED] -4036/64

Memo [REDACTED] -0064/64

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Form 1716

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